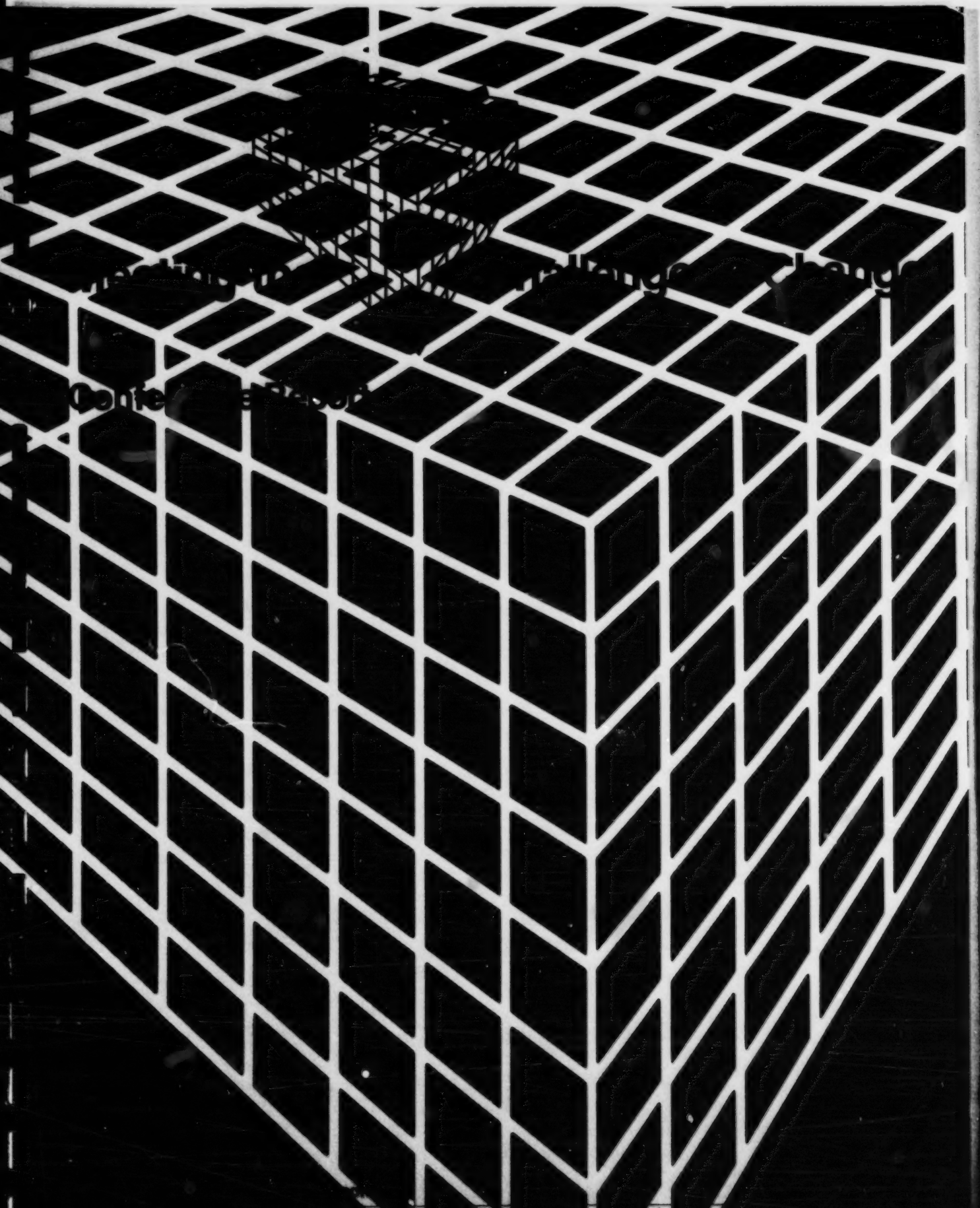

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EXECUTIVE SUMMARY

Considerable interest was aroused when Premier John Buchanan announced the government's intention to sponsor a Conference on the Economy in the fall of 1985 that would bring together interested Nova Scotians from all walks of life to discuss the provincial economy and offer recommendations and suggestions to the government to help the economy grow.

Attention was further generated when the 27-member Advisory Committee came up with the theme, **Meeting the Challenge of Change.** The agenda for the two-day Conference to be held in the World Trade and Convention Centre in Halifax on October 15 and 16 was built around the decision that this would be a Delegates' Working Conference. An enthusiastic response came from all areas of the province when the format of the Conference was unveiled in a series of briefing sessions.

Delegates were selected from a lengthy list of trade and producer associations, special interest groups, organized labour, boards of trade, community organizations and municipalities. The number was limited to about 150 to ensure active participation in the 10 workshops, into which the delegates were assigned to ensure each workshop would be as representative as possible of the Conference as a whole.

With the overall economy of the province to come under their scrutiny, delegates were asked to do some

advance reading of short, factual briefing papers prepared for them. The information package included the size of the domestic product, the important sectors that make up the economy, where people are employed and the key areas of government revenue and expenditures.

Nineteen panelists briefed delegates on important issues in key sectors, including health, education and social services which have a sizeable impact on government expenditure.

Dialogue flowed freely in the workshops with workshop chairmen and secretaries channelling discussion so that worthwhile suggestions could be followed through to logical conclusions.

The major issues from each workshop were consolidated and brought back to delegates in a plenary session seeking consensus on items to be presented to the Premier in the closing plenary session. Where opinon was divided on the course of action recommended to government and time did not permit further dialogue to reach agreement, the issue was classed as non-consensus. This included the provincial deficit. There was much discussion on ways and means to reduce it, however no consensus was reached in the time available, on the order in which specific steps should be taken.

Areas on which consensus was reached included:

(a) The need for a comprehensive review of the education system and, if necessary, the segregation of specialized skills training to ensure our most important asset, our people, are being trained and developed to their full potential. More emphasis should be placed on management training.

(b) More extensive research and development is required along with added emphasis on applying development technology to make our industries more competitive.

(c) A need for government to review existing taxation and government support programs to ensure an environment which encourages start-ups and fosters reinvestment and the growth of existing businesses. The taxing structure of mining of minerals should be examined.

(d) Government should assume the role of catalyst in fostering a good partnership between business and labour. A means of resuming the joint labour-management-government consultation should be found.

(e) Right to farm legislation had the support of delegates who also felt that a longterm forest management plan is essential to the survival of the industry.

(f) Delegates felt the housing shortage should have attention and supported the orderly phasing out of rent controls.

(g) The importance of small business and the tourist industry was stressed and delegates felt that these sectors deserve more attention and nurturing.

(h) Delegates were concerned that rising costs will, in time, offset the quality of health care delivery and must, therefore, be controlled. There was support for user pay or co-pay but not at the expense of those in lower income brackets.

The recommendations and suggestions to government directed to the Premier at the closing session were, of necessity, prepared in haste and were not, therefore, all inclusive. It has taken time to review the detailed notes from the ten workshops. They are summarized in the **Workshop Discussions** section of this report, under headings that reflect in greater depth the views of the delegates.

The ability of this representative group, combining a wealth of talent and knowledge but with diverse interests, to reach a consensus on many key issues in two days of deliberation, has to be reassuring to anyone who questions the desire of Nova Scotians to work together to help our economy grow.

INTRODUCTION

On April 10, 1985, in the course of his annual remarks to the Halifax Board of Trade on the State of the Provincial Economy, Premier John Buchanan declared his government's intention to sponsor a Conference on the Provincial Economy that fall.

The Premier was specific in the type of conference to be held. There would be broad participation from the private sector, with the government prepared to listen to constructive suggestions on working together to help stimulate growth in the economy, recognizing that without growth, the government would be faced with the difficult alternative of limiting spending in key areas that could adversely affect the people of Nova Scotia.

At the Premier's invitation, I accepted the role of Chairman of the Advisory Committee responsible for planning the conference and received an enthusiastic response from all 27 people who served on this committee. All sectors of the economy and all geographical regions of the province were represented on the committee.

During the planning process, there was no wavering from the early decision that this was to be a "delegates' conference", with representation from as broad an area as possible. There was general agreement that the conference format would not be limited to specific topics,

but would take in the overall economy and be so structured that the delegates would zero in on the major issues, enabling them to come up with practical suggestions for the provincial government to consider.

To assist delegates who would otherwise come to the conference with diverse views and understandings of the make up of the provincial economy, short, factual briefing papers, without editorializing or opinions, were prepared on the key components of the economy. Delegates were given a brief overview of the Nova Scotia economy with statistical information on matters such as the size of the domestic product, population and employment figures, as well as the labour force and the participation rate over a 10-year period.

The sector papers focussed attention on individual components of the economy and pie-shaped graphs were used very effectively to show delegates the relative importance of each sector to the overall economy. Pie graphs were also used for key areas of provincial government revenue and expenditures for the fiscal years 1981-82 and 1985-86.

To stimulate discussion in the workshops, 19 panel speakers prepared brief remarks raising the important issues facing their own sectors and pointing out the opportunities for future growth. If applicable, they indicated where this potential for growth could be enhanced with a change in government policy. Being very topical, the issue of free trade was raised by a number of speakers.

Education, health and social services were singled out as deserving the delegates' special attention as they account for 55% of the government expenditures.

Speakers also reviewed steps now being taken to assist business in meeting the challenge of change through research and development, introducing technology into existing operations and the opportunities available in export markets. Government support programs were reviewed and delegates updated on recent initiatives in manpower training and in youth training incentives.

Delegates to the conference were selected by the Advisory Committee from a lengthy list of trade and producer associations, special interest groups, organized labour, municipalities, community organizations and boards of trade, supplemented by an additional number to ensure that all geographical areas were represented, as well as all sectors of the economy.

In all, 152 people attended the conference, the maximum number that could be accommodated while still maintaining a degree of togetherness essential to delegates if they were to feel part of an intimate group. Workshops were limited to 15 people to ensure that all delegates had the same opportunity to contribute to the discussions which would be the focus of the two-day conference.

What proved to be one of the strengths of the conference was the decision that delegates would be arbitrarily assigned to workshops so that each workshop was

as representative as possible of the make-up of the conference as a whole.

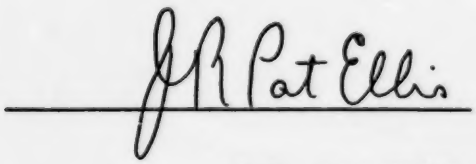
The delegates having been asked to come to the conference with a firm grip of the issues affecting their particular area of expertise, a desire to exchange that information with others with a different point of view, and an open mind - open to new ideas and new ways of dealing with the future - it was essential to ensure that such a forum was available.

To give delegates time to get to know each other, they were asked to remain in the same workshops for the three two-hour sessions. Chairmen with experience in conducting group sessions were selected, along with secretaries experienced in making notes on meaningful discussions so that no worthwhile input would be lost in finalizing the issues discussed at the end of the sessions.

The conference opened with the Premier welcoming the delegates and expressing the hope that their deliberations would be meaningful. He said the conference was innovative in that it brought together for the first time Nova Scotians of diverse backgrounds and various age groups but with one common interest - a concern for the future of our province. He assured them that he looked forward to the closing plenary session when they would be submitting for the government to consider a digest of their discussions in the form of recommendations based on consensus reached in the workshops.

The conference chairman then reviewed the changing face of the Nova Scotia economy, beginning with the heady days of the 1960's and 1970's, when public spending served as the engine of growth and funding was readily available for the introduction of new programs and for an improved quality of life.

Today, even with deficit financing, governments are experiencing difficulty in maintaining these established programs at the levels that we have come to expect. The pressure on government for more effective management of its existing programs and overall operations is mounting. Delegates were asked to be realistic in their expectations as they took advantage of the opportunity to consider and offer constructive proposals to the Premier at the end of the conference.



J.R. Pat Ellis
Chairman
Advisory Committee
Nova Scotia Conference
on the Economy

CONFERENCE RECOMMENDATIONS AND SUGGESTIONS TO THE PREMIER

Delegates quickly became acquainted in the workshops and dialogue flowed freely as panel speakers and briefing papers gave delegates much food for thought, in addition to their own well-researched ideas and proposals. Workshop chairmen and secretaries were kept busy attempting to channel discussions so that suggestions could be followed through to logical conclusions.

The major issues emerging from the workshops were consolidated and brought back to the delegates in a plenary session seeking consensus on those to be presented to the Premier. Where opinion was divided as to the course of action to recommend to government and time did not permit further dialogue to reach agreement, the issue was classed as non-consensus. This includes the deficit which, in view of its importance, was included in the plenary session with the Premier. All other non-consensus issues are reviewed following Workshop Discussions.

The recommendations and suggestions to the Premier are listed below.

Education and Training

It is recommended that the provincial government undertake a comprehensive review of the education system in Nova Scotia, with particular attention to providing innovative approaches for retraining our workforce.

There must be full co-operation between the Department of Education and the private sector to ensure the best allocation of limited resources.

The Conference urges that immediate steps be taken to better utilize existing education facilities and to rationalize or eliminate the duplication of equipment purchases and programming.

It is recommended that Nova Scotians work toward equal access to programming and standardized grading in the public school system.

Finally, it is recommended that this Conference endorse the directions being taken by the Youth Initiatives Program and encourage innovative approaches to alleviate youth unemployment and to develop a new generation of enterprising Nova Scotians.

Research and Development

It is the responsibility of both the private sector and government to take whatever steps are required to keep Nova Scotians working and to create as many new job opportunities as possible.

Increased employment requires that we be competitive. To be competitive and to meet the challenge of change facing Nova Scotia, we must take advantage of technology and we must carry out research and development on a wider scale.

We recommend that the Government of Nova Scotia make available each year an amount which would be equal to a fixed percentage of the provincial gross domestic product, to be used for applied research and development. Such funds should be dispersed on a matching basis to industries proposing to conduct research and development pertaining to their particular field of endeavour.

Putting Technology into Action

We recommend that the government actively support the use of all available technology as well as removing regulatory barriers to its use.

We suggest that this support be designed in such a manner that new technology is introduced with:

(a) no potential damage to the environment
(b) no damage to the resources being affected
(c) minimal social and economic disruptions.

Taxation/Government Support Programs

We recommend that the provincial government work with the federal government to create a tax regime that would both encourage start-ups and foster reinvestment and growth of existing businesses. Such a regime would provide encouragement to small investors to invest in small business. It would also provide tax deferrals for on-going business so long as the deferred tax revenues were retained in the business in the province.

Labour/Management Relations

We believe it is vitally important that government assume the role of catalyst in fostering a good working partnership between business and labour.

Underlying the development of sound labour-management relations is the principle and practice of effective communications between the two parties. We wish to strongly encourage the Minister of Labour to take an active role in this process, to be prepared to listen and provide positive input to ongoing labour-management dialogue.

We are recommending the Dalhousie Labour/Management Committee, or a similar group, be officially reactivated in such a manner as to be acceptable to both sides. This will be an important step in ensuring good communications, which will hopefully lead to an effective working partnership for all concerned.

Transportation

Nova Scotia's natural and produced resources and its manufacturing industries depend on equitable transportation programs.

We recommend that the provincial government take action to ensure the maintenance and the strengthening of the inter- and intra-regional freight subsidies programs.

We recommend that deregulation extend to the trucking industry in Nova Scotia, which will foster competition and promote lower transportation costs.

Deregulation could provide an opportunity for air carriers to extend services between Nova Scotia and the eastern United States and Europe. We ask the provincial government to encourage airlines to extend these opportunities to us.

Manufacturing

It is the view of the delegates to this conference that the development programs of both government and industry should seek to exploit the oppportunities that exist within Nova Scotia's indigenous industries.

Many of our existing industries are founded upon the province's natural resources. Many are renewable and are harmonious with the skills and traditions of our people, but few have been developed to their ultimate potential or have utilized the wealth of technology or management expertise available to them.

Industries which refine and process our natural resources into high quality, perhaps unique and very marketable goods, are similarly underdeveloped. Were Nova Scotia to move higher up the technological ladder in order to fully exploit our existing industries, the move would result in the employment of many thousands of Nova Scotians in development, production and marketing of competitive, world-class products.

If we could be the world's best at what we do best, our prosperity and our future would be assured.

Agriculture

Farmers must have the security to farm without fear of civil litigation. We, therefore, recommend that Nova Scotia enact Right to Farm legislation. This legislation is required to protect farmers from harassment by those who do not understand or respect the nature of farming.

In order to ensure availability of agricultural land, we support the taxation of agricultural land that is not in production. We further recommend zone protection of agricultural land to preserve it for production.

As a general principle, we support the need for longterm credit at reasonable rates. This is a concern not only of the agricultural industry, but of all natural resource sectors.

Promoting increased agricultural awareness in Nova Scotia must be a priority of this government.

Fisheries

Discussion focussed on management, marketing and the introduction of new technology, specifically factory freezer trawlers and their potential impact on the inshore fishery and on processing jobs for women.

Delegates were supportive of the introduction of factory freezer trawlers on an experimental basis, but cautioned on the need for government and industry to follow developments closely and to provide for the retraining necessary for workers, if there is to be no future for them in the fishery.

Forestry

We recommend that a Forest Management Program be put into practice to ensure the protection and the growth of this important resource for the future of Nova Scotia.

We recommend an immediate commitment to silviculture and reforestation programs. Carefully structured, they can provide useful opportunities toward meeting the challenge of youth employment and unemployment, in general.

Mining

The responsibility for exploration and cost containment rests with operators. However, policies and operations of government are contributing factors, mainly in the areas of taxes and regulation.

It is recommended that government should review its royalty/health tax arrangement with a view to at least reducing the rigidity with which these are applied, or shifting the tax load to profit-based factors.

Housing/Construction

It is this conference's view that housing can be used as a tool for economic development and for creating jobs.

The province-wide shortage of affordable single family housing and rental units, particularly in metro Halifax and in college towns, is an opportunity for government to provide assistance and tax incentives which will achieve direct economic benefits, while alleviating a social need.

In particular, tax incentives should be provided to encourage individuals to invest in the construction of public and student housing.

Also, government should reconsider the one recommendation they have not implemented from the Coffin Commission, the phasing out of rent controls.

Tourism

We recommend that the province further increase its commitment to maximizing the potential that exists within the tourism industry.

We recommend that the province perform a co-ordinating role with the industry in the creation of standard procedures for tourism service, for the rating and grading of services performed, and for the training of hospitality operators.

We recommend that more funds be allocated to tourism marketing and further, that the industry itself, be encouraged to invest funds in better marketing of its services. We recommend that every effort be made to ensure that tourism publications are accurate and that, overall, efforts to improve the industry be made through self-regulation as much as possible to avoid the additional cost of increased government regulation.

Small Business

We recommend that small business work more closely with educators relative to the training and retraining of workers, particularly the young. This conference has focussed attention on the shortage of skilled workers in the small business area. We, therefore, look to this closer business-educator working relationship to help correct this shortage while at the same time, creating more useful jobs in the process.

We would encourage in every way possible, reinvestment of small business within itself, suggesting studies relating to a tax system that rewards success and encourages reinvestment of profits. We further suggest a study of the concept of a "one stop" approach to government services and programs recognizing that small business frequently finds itself tied up in the bureaucracy relating to the assistance programs that are available. We particularly favour access to technological assistance in this "one stop" concept.

We encourage the government to monitor carefully current federal government initiatives in Cape Breton and how, if successful, they may relate elsewhere in Nova Scotia.

Health and Social Services

We must educate the public to better understand that the cost of health care is high as is the extent to which the health care system is utilized. We must work together to develop responsible attitudes on the part of the public and providers of health care towards the delivery of health services in Nova Scotia.

We must constantly explore alternative ways of responding to the needs of the ill. We must encourage the appropriate introduction of technology, but contribute towards the cost of such technology with savings.

Hospitals and physicians must recognize that effective partnership arrangements can only exist if the overall objectives are common to both groups.

As a public, we must recognize that there is a direct correlation between expenditures on health care and the level of health.

White Paper on Economic Development

Throughout this conference, delegates have, on the one hand, expressed satisfaction with the content of the White Paper on Economic Development published in 1984 and, on the other hand, have expressed their concern that the government has not moved quickly to implement it.

In light of this, we repectfully recommend that the government immediately accelerate the implementation of the White Paper.

Secondly, we further recommend that the government, in the not too distant future, call a follow-up conference similar to this one with the specific purpose of evaluating the progress made by the government with repsect to implementation of the recommendations contained in the White Paper on Economic Development.

Deficit

The deficit and deficit reduction were the subject of much discussion both in the workshops and the plenary sessions. While there was general agreement that the deficit is cause for much concern, there was no agreement on how and when the deficit should be eliminated.

A considerable body of opinion felt that the deficit should be reduced quickly. In order for this to be accomplished, it was felt that a greater awareness of the problem is required by the public. Deficit reduction, it was recognized, would require a substantial change in attitude by the people of Nova Scotia, an attitude that shifts popular focus away solely from government as the single source of solution to all ills.

The general view held that dealing with the deficit will involve not only generating increased revenues for the provincial economy through increased volume and productivity, but also cutting government expenditures.

No consensus was reached on a number of options discussed, such as a freeze on public service hiring, an annual review to ensure public service salaries are in line with those in the private sector, government withdrawal from operations that might well be handled by the private sector, and the establishment of a limited time frame for the achievement of a balanced budget.

The divergent points of view held can best be summed up with the following comments:

1. There was a strong expression of opinion from labour delegates that government-induced job creation should not be relegated to a lesser role to eliminate the deficit.

2. Several business delegates advocated balanced budgets within 5 years, a trimming of government expenditures by 5 percent and an easing of public demands on the system.

3. There is merit in incurring a deficit for capital facilities which, in turn, create business, jobs or opportunities for investment. However, to incur a similar deficit for social services programs or in order to carry on day-to-day government affairs, is potentially ruinous.

5. More emphasis for economic growth should come from the private sector, with government's role being one of policy direction and leadership without further requirement for increased taxation and deficit spending.

WORKSHOP DISCUSSIONS

As could be expected given the diversity of the backgrounds, experience and viewpoints of the delegates to the conference, workshop discussions were lively and enlightening. Recommendations were usually drawn up as consensus emerged on issues. At times, however, consensus was elusive, resulting in recommendations which were sometimes contradictory in nature, if not intent. These instances will be readily recognized in the report.

Workshop discussions began with delegates' personal experiences, both positive and negative, and culminated in recommendations, if any. In this way, delegates were able to share each other's experiences and discuss various approaches to issues.

A number of common threads ran through the fabric of all discussions, no matter what the topic. Although they took many forms, they could be described as relating to the "proper" roles of government and the private sector in the provincial economy. Delegates agreed that each partner has a responsibility in managing the economy to the benefit of all Nova Scotians. They did not always agree, however, as to how that responsibility should be defined.

Delegates fully supported the thrust of the provincial government's White Paper on Economic Development, **Building Competitiveness**, with its emphasis on the private

sector as the engine of economic growth. The White Paper lays out a framework for action to guide economic growth and development and identifies government initiatives in support of private sector activity.

There was concern, however, that government is not moving quickly enough in implementing all the White Paper initiatives.

Human Resources

As delegates worked their way through the various sectors of the economy, one issue emerged again and again:people. More specifically, it related to jobs, the ability of people to fill them, the need for people to have them, the lack of adequate training to equip people to meet the requirements of management, and the need for management to manage better.

Time and again, reference was made to the need for better management skills in order to be more cost effective in the running of a business, and the importance of marketing techniques in establishing and maintaining a toehold in the marketplace, all adding up to the awareness of increasing competition in today's economy.

Nova Scotia's greatest resource is its people, delegates felt. Working together, government and private sector must find ways to best use the talents, ideas and energy of all segments of our society, enabling everyone to contribute to, and take part in, the province's economic growth and development.

The needs and aspirations of visible minorities, women, youth, seniors and the handicapped were explored in discussions on various topics, especially in terms of jobs and job creation. It was recognized that both government and private sector have a responsibility to reach out to those who are outside the mainstream of society for whatever reason, to help them to become productive and contributing members of the whole. In the context of employment, delegates noted that some, like women and the handicapped, may require certain support services to enable them to take fulltime employment. The consensus was that the provision of such services was not the sole responsibility of government.

Education and Training

Concern that Nova Scotia's educational system is not properly preparing graduates for the real world was voiced in most workshop discussions. Delegates felt thatcurricula, in many cases, were outdated, that technical and vocational courses should be teaching more marketable skills, and that students were not as well served by the educational system as they should be.

The consensus was that a long, hard look at the educational system, its objectives and costs, is overdue.

Delegates noted that the Royal Commission on Post-Secondary Education would soon be reporting in with its findings largely directed to the university community. They pointed out, however, that steps must be taken to make the province's primary, secondary, technical and vocational education systems responsive to current needs.

In terms of preparing students for the workplace, the technical/vocational and retraining systems were judged to be inadequate to the task, too often graduating students with skills that are out of date or for which there is no market. Retraining programs, especially came in for criticism that they were too often regarded as a stop gap measure, rather than as providing a viable career option.

Delegates identified a number of disincentives to upgrading and retraining posed by regulations governing the provision of Unemployment Insurance benefits and advocated changes that would give those on U.I.C. more training options, while allowing them to continue receiving benefits.The need to provide useful retraining through Canada Manpower was identified as an issue here.

Skills training is a critical component in the province's economic development and delegates felt it was time for the province to address deficiencies, working in

conjunction with industry. If the system is not educating people for the job market, as delegates observed many times, it must be changed. One way to make immediate improvements is to forge better communications links between those who identify the needs of industry and those who design the training programs to meet those needs. Delegates felt that the Departments of Labour and Manpower and Education* should be working more closely together and with industry and industry representatives.

Delegates endorsed co-operative education programs, apprenticeship programs and on-the-job training as valuable opportunities for students to combine skills training and schooling. They recommended better working relationships among government, industry and school administrators to devise programs which would result in students graduating with one foot higher up the career ladder than is currently possible. School training, they felt, could not replace on-the-job experience for most employers.

Delegates also saw the need for better utilization of school facilities on a year-round basis to achieve considerable cost savings for taxpayers, identifying this as one of the many spin-off benefits of better planned training programs.

* Since merged into the new Department of Human Resources Development and Training

The issue of youth unemployment was labelled a "time bomb" by some delegates and special measures were advocated to deal with this special segment of the population.

There was support for the provincial government's creation of the Youth Initiatives Office, but delegates also recommended the establishment of an advisory council, "with teeth", to tie in all the principal players and to ensure better co-ordination and planning. The council would be composed of youth, business and labour representatives and work with training administrators and educators.

More than once, delegates expressed concern about the development of what they termed an attitudinal problem among young people. Caught in the midst of high unemployment, they felt that many young people despair of ever finding meaningful employment, no matter how well trained and well educated they are or can become. It is important that Nova Scotians understand that their young people are the province's future, delegates felt.

There was criticism, as well, that students in the secondary school system do not get an understanding of the province and how it works, and the forces that impact on its economy. Delegates felt that all students should be learning about Nova Scotia, the free market system, and economics, in general. These subjects should be taught as part of the curriculum at all levels.

By getting a better understanding of the province and its economy in school, delegates felt that students would be in a better position to plan their future careers before graduation and would have a better sense of their worth on the job market.

Concern was expressed that many new graduates have unrealistic salary expectations for their first jobs. In a successful business operation where the marketplace and pricing establish receptivity; productivity and efficiency are vitally important. New employees have to undergo a period of training with their new employers, incurring a cost which must be absorbed. Until their work is on a par with that of older, more experienced workers, recent graduates should not expect to be paid at the high end of the pay scale, no matter how well qualified they may think they are. By the same token, delegates pointed out that wage and salary expectations, generally, should be based on the Nova Scotia experience, rather than that of other areas.

Management

The role of management in all sectors of the economy came in for much discussion as delegates reviewed the current state of the economy and looked at opportunities for youth. The need to develop better management skills was seen as crucial in meeting increased competitiveness. More intensive management training in all our educational facilities is required and delegates felt this issue should be addressed jointly by the private sector, education and government.

The changing marketplace requires that management be constantly alert in identifying and penetrating new markets, while at the same time, holding on to and expanding existing markets.

In accepting improved productivity as the first order of priority for Nova Scotia firms seeking to compete successfully outside our borders, delegates felt the issue to be a prime responsibility of management, with labour responding to the challenges put before them.

Marketing

Another area of weakness identified that could be addressed through education was marketing. Delegates felt that Nova Scotia manufacturers and producers could benefit from more training and experience in this area. The general consensus was that business' financial problems tend to be further aggravated by poor management and marketing skills.

Delegates warned, however, that marketing efforts must focus on products that are being successfully marketed here, rather than producing solely for sale elsewhere. The consensus was that success can be better assured in outside markets by enhancing what we can produce and sell here in Nova Scotia before exploring the unknown.

As an example of what can be achieved when management, marketing and government expertise are brought

together, delegates pointed to the success of the "McRed" promotion in Great Britain. In this instance, Nova Scotia producers co-operated on marketing one high quality apple, the MacIntosh, under one brand name. With assistance from the provincial government, the producers were successful in a previously under-exploited market.

Research and Development

Nova Scotia is missing out on economic benefits in a number of ways by placing too low a priority on research and development, delegates said.

While acknowledging the high cost of research in developing new technologies and the limited funding available, it was felt that closer industry-university liaison would lead to more industry-sponsored research activity. As an example of what can be accomplished through such co-operation, delegates pointed to the meristem culture and micro-propagation program undertaken by the Atlantic Institute of Biotechnology, Dalhousie University and the private sector. The success of that program, developed for Nova Scotia's conditions and requirements could, delegates felt, be duplicated in other areas.

The Nova Scotia Research Foundation is an excellent facility, but delegates felt that industry is not fully aware of its role and capabilities. A more agressive approach, especially to small business was advocated.

Universities were cited as a logical vehicle for research, working in concert with industry and organizations such as the two mentioned above. Yet, delegates noted, the province does not realize the full benefits of its investment in its university research facilities, leading to under-funding and under-utilization.

Putting Technology into Action

Delegates felt that the application of existing new technology procedures to established methods of production needs to have a higher priority. Nova Scotia has been slow to adopt new technology in a number of sectors of the economy causing it to lag behind behind its major competitors in this aspect.

Delegates agreed that in a province where employment is an over-riding issue, decisions regarding the introduction of new technology are often delayed in favour of job retention, with managers accepting a little less productivity and a little less competitiveness as the price to be paid for maintaining as many jobs as possible. The heavy capital costs of conversion were considered to be another factor.

Government should encourage and, in special situations, assist the private sector to adopt new technology as it becomes available, delegates said, so that Nova Scotia business will be more competitive at home and abroad. With expanded markets, there should be new job opportunities

to more than replace those lost during the transition to technological innovation.

The facilities and expertise of the Nova Scotia Research Foundation are readily available to advise and assist business to meet this challenge of change.

Delegates agreed that measures must be taken to minimize social and economic disruptions caused by the introduction of technology. Management should also be sensitive to resulting labour transitions.

Government was seen to have a role in assisting in retraining those who are displaced by technology. Working with industry, government should seek ways to minimize the negative aspects of technological change.

This issue was discussed most intently in relation to the fishery and the request by industry to license factory freezer trawlers. The need to produce the best quality product to be competitive in the marketplace was fully recognized, as also was the concern of the possible adverse effect on the inshore and the onshore fishery in terms of employment.

Recent technological developments in aquaculture are providing an opportunity for the fishing industry to supplement the supply of Atlantic salmon and other specialty fish species available for local consumption and the export market and delegates agreed that there is room here for further growth.

Taxation and Government Support Programs

Delegates agreed that it was time to re-think government assistance to business and industry. The consensus favoured a move away from outright grants to industry. Restructuring the tax regime to provide incentives that would promote economic development and expansion was advocated.

Low interest rate loans or subsidized assistance to reduce the cost of borrowing were also regarded as preferable to grants which were seen as benefiting new businesses to a greater degree than existing operations. Tax holidays for certain businesses and certain situations were advocated and the elimination of tax on machinery and equipment required for modernization and expansion was considered to be an effective way to encourage local business to expand and create new job opportunities.

The general consensus was that a tax system that rewards success and achievement and encourages re-investment of profits is needed. A system that would enable some businesses in the province to defer taxes as long as they were re-invested in the same business would help encourage expansion. The province would collect the deferred taxes when the investment was made outside the province or the funds withdrawn by the shareholders. Any tax revenue that would be lost to the province through such a scheme, delegates felt, would be more than offset by savings to government through the elimination of current grant programs.

Frustration with the tax system was voiced again and again. The system was found to be a disincentive to expansion at times and delegates recommended that steps be taken to make it more responsive to business needs. One example discussed was the mining sector. Royalties paid on extraction were considered counterproductive to the industry because they raise the break even level for the product. A better alternative would be to pay taxes on profits after extraction. Although delegates agreed that there might be instances when profits could be sheltered to avoid paying taxes, most felt that this could be overcome with adequate accounting controls.

Interest was expressed in the federal government's tax incentive program for Cape Breton. Delegates felt that it should be monitored carefully with a view to implementing some of the more successful measures province-wide on a graduated basis, depending on need.

In discussing the role of government in the marketplace, delegates favoured less intervention through regulatory mechanisms and no direct intervention through takeovers involving competition with the private sector. The consensus was that, as a rule, industry taken over by government does not prosper.

Recognizing that there are instances when direct intervention is necessary for various reasons, delegates felt that it should be made clear from the outset that it would be no more than an interim step until a private sector operator can be found.

In discussing government assistance programs for business, delegates expressed frustration over the number of programs, the various agencies involved and the varying qualification requirements. Noting that those who require assistance are usually those who can least afford the time required to run down the necessary information, delegates recommended that the province study a "one-stop" approach to its assistance programs, with this service being made available on a regional basis. A simplified procedure is required for business to obtain information, financial assistance, and services from government more effectively.

Delegates identified the need for a regular review of government assistance programs to determine their continued effectiveness and to maximize the use of available funding.

The need to update programs to reflect reality was mentioned. The economy is moving away from being production based and program benefits should be extended to the service sector where new job opportunities are being created.

Based on the concept that a business already established in the province has the best chance of continued success, delegates recommended that the province do an inventory of successful operations to determine what encouragement might be given to help them build on their success.

Delegates also stressed the necessity of presenting government with a unified point of view and a consensus for action when the private sector is requesting help. Government must respond to the needs of many sectors, they said. When it is presented with conflicting viewpoints, the natural result is confusion and delay.

Labour-Management Relations

The Provincial Conference on the Economy, delegates said, served as an effective forum for bringing varied ideas, backgrounds and interests together in a co-operative way to focus on the difficult problems facing the Nova Scotia economy.

Delegates expressed the opinion that increasing productivity was a responsibility of both management and labour. Joint planning, co-operative implementation and sharing of the benefits of improved productivity were seen by delegates to be desirable for all segments of society.

Delegates recommended that the provincial government's role was to serve as a catalyst in fostering a good working relationship between business and labour. They encouraged the Minister of Labour to help develop better communications between the two parties and to take an active role in the labour-management dialogue. A means of resuming the joint labour-management-government consultative process should be found, delegates said, to provide a forum for the benefit of all Nova Scotians.

Energy

Some delegates expressed the view that high power rates and taxes on transportation and other fuels must be reduced if our industries are to compete successfully on world markets.

Delegates recommended that efforts continue to identify alternative sources of energy, such as tidal power, as long as environmental safeguards are put in place and they are economical to produce.

Industry's increased use of off-peak power at lower off-peak rates was recommended, as was an earlier shift to Daylight Savings Time. Both were seen as conservation and cost savings measures for consumers.

Further cost savings should be explored, delegates said, by investigating co-generation of electricity by private sector sources and by privatizing the Nova Scotia Power Corporation.

There was considerable discussion over the stated "dual" role of the Nova Scotia Power Corporation as both a provider of electricity and as an agency of social policy. Delegates felt that energy's social responsibilities belong with the government, not with the Power Corporation.

Debate ensued regarding the province's reliance on Nova Scotia coal for electrical generation, with some arguing that this was keeping rates high. More productive uses for coal should be sought, they said. Others, however, supported the provincial government's decision to use Nova Scotia coal, arguing that the policy had provided increased energy security, a ready market for Nova Scotia coal and longterm job security for Nova Scotia miners.

Transportation

Given Nova Scotia's geographic position, transportation policies have a dramatic impact on the provincial economy. Delegates pointed out that getting Nova Scotia goods into export markets profitably depends on quick, easy and cheap transportation. This is not always available.

Many of the problems in this area can be overcome through deregulation, delegates felt. Delegates supported the federal government's recent moves in this direction. Deregulation of trucking, especially, they said, would lower costs and promote greater efficiency in the industry. Deregulation would enable the industry to do the best job that it can, providing that care is taken not to lower current quality standards.

Deregulation will also promote freer entry by new players into the market, thus promoting competition. Concern was expressed, however, that large trucking companies could squeeze out smaller, local operations.

Deregulation was seen as benefiting Nova Scotia exports and the tourism industry, in particular.

Delegates agreed that the province is poorly served by the airline industry and that this works to the detriment of both cargo shipments and passenger travel. CP Air's cancellation of its Halifax-Amsterdam run had a negative impact on a number of florists, for instance, who imported Dutch products directly.

Delegates urged the province to use deregulation to encourage better passenger service to and from Halifax, especially to the northeastern United States and Europe. This would facilitate business travel, as well as tourist, and would help the province sell Halifax as a convention centre.

Delegates noted complaints from both tourists and business regarding the customs procedures at Nova Scotia entry points and recommended that the province ask the federal government to streamline them.

Nova Scotia producers are penalyzed financially because they are too small to take advantage of economies of scale when shipping. Delegates noted the success that some producers have had in consolidating small shipments to achieve substantial savings through favourable weight breaks.

Delegates agreed that transportation assistance is essential if Nova Scotia producers and manufacturers are to remain competitive. Any proposed changes to the Maritime Freight Rates Act or the Atlantic Region Freight Assistance Act require detailed study to minimize any potential negative impacts.

As escalating fuel costs have a direct negative impact on the cost of moving Nova Scotia goods to market, delegates urged the government to keep fuel taxes down.

Delegates agreed that ferry services between the United States and Nova Scotia should operate year-round. As well, they recommended that the province use its access to cheap water transportation as a lure for new business and industry that service international markets.

Manufacturing

As a major sector of the economy which provides potential for growth and attendant benefits for Nova Scotians in terms of jobs, manufacturing was the focus of much discussion in each workshop. Discussion centred on the major issues of marketing, productivity and management skills on one hand, and the role of government on the other.

Building on natural attributes is a prerequisite for success, delegates felt. Nova Scotia's resource-based industries provide an excellent opportunity for expansion.

These industries are built on renewable resources and are compatible with the traditions of the province. Too many however, are not being developed to their full potential. Nova Scotians cannot expand their industrial and economic base if they continue to be satisfied with exporting raw materials, rather than manufactured products. To get the most value out of our natural resources, Nova Scotia must move into secondary processing and refining.

A point that was made over and over again in discussions was that the Nova Scotia manufacturing sector must become involved in more value-added production. Among examples discussed were wood chips and the biomass industry, "artificial" seafood products, and gypsum wallboard. Moving our resource-based industries higher up the technological processing ladder provides the best opportunities for the province's growth and development.

Delegates placed part of the blame for Nova Scotia's weakness in manufacturing on the province's geography. Our small population base makes export markets a requisite for expansion and profitability. However, our distance from major markets and the transportation costs involved in getting our products there, present expensive hurdles. Competitiveness is hampered by the fact that most provincial manufacturers enjoy too small a market share for profitability.

Delegates, however, did not see these difficulties as impossible to overcome. With the right combination of management and marketing experience, and with government

assistance, they felt that Nova Scotia can compete worldwide, especially in those high quality niches where price is not a great factor.

Agriculture

Delegates felt that a major problem for the agricultural sector is the lack of public awareness of the industry's importance to the economy.

Although the consumer wants low-cost, fresh food products, there is no recognition that food is an important commodity, nor that agriculture is a business. Farmers must make a profit to stay in operation.

Agriculture has many of the same problems as any other business: marketing, technological change, government regulatory measures and controls. It must also contend with issues like climatic conditions over which it has no control, yet which have the ability to impose costs on the farmer.

If agriculture is to succeed as a business, delegates felt that better education is needed to help farmers learn better cultivation practices, adopt new techniques and technologies, and produce better and new products. Innovation must be encouraged so that Nova Scotia can keep pace with agricultural practices in other provinces and countries.

Concern was expressed over the fact that the agricultural community does not feel that it has adequate access to research facilities and results. Consequently, they felt that many opportunities to expand the potential of this sector are being missed. Delegates felt that Nova Scotia could be more self-sufficient in agriculture by seeking out prospects for expansion in food processing.

Government was criticized for a lack of co-ordination among its resource departments in their programs for industry. As an example, they cited the fact that the Department of Agriculture is paying subsidies for the reclamation of new agricultural land from forest, while there is still plenty of non-forest land available that could be developed for farming. Measures are also required to keep good agricultural land in production. Zoning protection and higher property taxes for land not in production were recommended to protect good agricultural land.

On another issue, the province was requested to pass "right to farm" legislation, along the lines of the New Brunswick model to protect the industry from urban encroachment.

For the industry itself, marketing was identified as a major area requiring improvement. Delegates felt that Nova Scotia agriculture must become more market driven and less product oriented.

New markets in themselves, however, were not seen to be as important as their viability. The industry must first be certain that new markets can be kept and serviced. This is an important point to keep in mind, the delegates said, especially when considering expansion in the United States. Most felt that Nova Scotia agriculture's market is in Canada because we cannot compete with the lower taxes, energy, feed and labour costs in the United States.

To help expand market opportunities at home, delegates felt that government should take steps to require provincial institutions to buy locally. This would open local markets to local producers and avoid situations wherein local production must be ploughed under because it cannot be shipped to outside markets and those at home are being serviced by imports.

The role of marketing boards in the province was also explored, with views expressed both for and against the concept. Delegates felt that the boards should be maintained, but that consumer representation should be considered.

The issue of free trade was discussed at length in terms of its impact on the agricultural sector. Most delegates felt that the potential negative impacts outweighed the benefits and urged the government to study the subject carefully before committing itself to free trade in agricultural products with the United States.

Fisheries

Discussion in this area focused on management, marketing and the introduction of new technology, specifically factory freezer trawlers, and its impact on the inshore fishery and on processing jobs for women.

Concern was expressed over the future of the inshore fishery in light of the advent of new technology and the greater quality requirements of the industry.

Delegates agreed that for the offshore fishery, maintaining competitiveness and achieving a better quality product are important, however, and were supportive of the view that factory freezer trawlers be introduced on an experimental basis to gauge their impact on the inshore fishery. At the same time, delegates cautioned that displaced plant workers will create a social problem at home. Government and industry will have to provide the retraining necessary to enable them to accept new employment if a future cannot be found for them in the fishery.

The industry has a number of problems, delegates agreed, such as over-capacity in some regions, difficulties in competing against the large restructured companies, limited resource in some species and an increasing number of predators, such as seals and shags, which compete with fishermen for stock.

A freeze on licensing of new processing facilities was proposed. The replacement of the scallop fleet was also recommended, along with a reduction in fleet size. This could be accomplished through a system of enterprise allocation, without reducing catch capacity, delegates said.

Delegates noted that fisheries policies and programs are sometimes developed in response to social issues, rather than business. Because of the emphasis on employment, the industry has become too production oriented rather than market oriented. The result has been to artificially support fishing enterprises that otherwise would fail because of conditions related to poor management, marketing or outdated technology.

Market enhancement was regarded as essential to the industry's expansion and it was recommended that opportunities represented by value-added processing and artificial seafood should be explored. Although the industry's emphasis seems to be on the U.S. market, delegates pointed out that there is still potential in the Canadian market. There was also discussion regarding increased government effort at promoting consumer confidence at home and abroad in the quality of Nova Scotia fish.

Forestry

A longterm forest management plan was deemed essential to the survival of the industry and government was urged to put one in place as soon as possible. With a management plan in place, delegates felt that the private sector would then feel more confident to invest in the industry and do what is required in terms of development.

The need to improve the dialogue among woodlot owners, the industry and government on the recommendations of the Royal Commission report was stressed. Government was encouraged to seek a consensus on many of the worthwhile recommendations included in the report.

To preserve the forestry as a viable industry in the future, delegates recommended an immediate commitment to silviculture and reforestation programs. Although delegates recognized that profit potentials were higher in clear-cutting, they recommended the practice be stopped in the interests of conservation and the environment.

Complaints from private woodlot owners that prices paid by pulp companies for their wood is lower than that paid in other provinces, were laid at the province's doorstep. Delegates were of the opinion that the province leases Crown land to the industry at such low prices that private landowners have difficulty competing.

Disapproval was expressed over government competition with the private sector in the operation of nurseries. Private greenhouse operators must compete with provincially operated tree nurseries. Delegates noted that this was contrary to the initiatives spelled out in the province's White Paper on Economic Development.

The forestry sector provides an opportunity for addressing the province's high unemployment rates, especially among young people, delegates found. They recommended that training courses be instituted for young people to help them manage the resource. Training and employment opportunities are under-utilized in silviculture and reforestation.

The industry was seen as one which could contribute substantially to the province's economy over the long term. Careful management of the resource could provide economic benefits through value-added manufacturing and ease unemployment by providing jobs in rural areas and for young people where they are most needed and hardest to find.

Forestry also provides a unique opportunity for Nova Scotia to play a humanitarian role on the world stage, delegates suggested. It was noted that in some drought and famine-stricken areas of Africa, the climatic conditions had been exacerbated by the denuding of limited forest resources to provide wood for firewood and feed for animals. Nova Scotia could help relieve this tragedy by shipping its damaged and unproductive wood to countries which could use it for burning, thereby saving their own scant resources for more valuable use. Delegates considered the scheme worthy of investigation by the province.

The use of wood chips to produce energy was recommended by delegates for further study and investigation. While a few small operations are currently in use in Nova Scotia, delegates felt that the province could utilize so-called worthless wood to expand on this form of energy generation.

Mining

Delegates noted that the minerals market is an international one. Consequently, Nova Scotia miners must compete at prices established by worldwide competition.

Growth in the sector will occur as the result of new discoveries, cost competitiveness in production and increasing market demand. While Nova Scotia must find markets for its minerals, delegates urged the government and industry not to give our resources away and, whenever possible, seek value-added production. Gyproc manufacturing was recommended as one way the province could realize greater economic benefits from its gypsum resources.

The province's extensive coal resources, especially, delegates felt, should be looked at in terms of alternate uses to energy. Delegates felt that its coal resources provided the province with an opportunity to lead the world in research into technological options in the use of coal. Government, industry and educational institutions in Nova Scotia should cooperate to bank information and promote research related to Nova Scotia minerals.

Both levels of government could encourage exploration by allowing earned depletion allowances to be applied against income, delegates noted.

Government could also spur investment by making changes in the tax regime, delegates said. Nova Scotia's tax system has a number of levies which are not related to profit. These are in the form of provincial royalties and the health services tax. As both are applied without reference to profits, they become a cost component to the industry, raising the break-even level for companies. The result is that a higher grade of ore is required in Nova Scotia than elsewhere before production can be contemplated.

Housing/Construction

The housing sector was identified as one in which appropriate government action could result in considerable investment and job creation with immediate positive impact.

The province's rent review program has been a disincentive to investment, delegates said, with the result that there is now a shortage of reasonably priced rental accommodation, especially in the Halifax-Dartmouth area. The shortage in public and student housing throughout the province was also blamed on rent controls and the elimination of tax incentives to investors, resulting in private financing sources pulling out of the Nova Scotia market and leaving a gap that government could not adequately fill.

Delegates felt that the province could take a positive step to redress the current situation by implementing the recommendations of the Commission of Inquiry on Rents with regard to the elimination of rent controls. It was recognized that this would have to be phased in over time in a manner that would not create undue hardship on low and middle income families.

Concurrent with any removal of rent controls must be a well orchestrated program to encourage new construction. Tax incentives would likely be required to pull back into the real estate market those who have left it, bringing with them institutional investors, pension and insurance funds which should be encouraged to put more of their resources into Nova Scotia housing. This would help to create jobs and provide spin-off economic benefits, as well as help to improve existing housing stock as landlords would have to upgrade their facilities to stay in the market. In the longterm, new construction will also bring rents down, thereby helping low and mid-income renters to find affordable shelter.

Given government support and a favourable economic climate, construction activity can provide economic benefits in a short time. Delegates suggested that government can help the industry most by assisting in the transfer of information on housing market trends. A central databank and processing registry was recommended as an appropriate vehicle for collecting and delivering timely, comprehensive information relative to the housing sector.

The need for innovation in the construction industry was identified. Workers must be trained in new methods and new materials. Government can play a role in the area of research into improved construction methods, techniques and materials.

To help the construction industry achieve its full potential in expanding the provincial economy, delegates recommended that regulations, especially those relating to zoning, be examined to eliminate those which restrict the industry and its ability to innovate. They also recommended that all Nova Scotia municipalities adopt the National Building Code.

Tourism

Delegates agreed that although the tourism sector offered growth opportunities, it was held back from realizing its full potential by the seasonal aspect of the industry, the lack of certain amenities such as all-night service stations, a poor attitude towards service by some in the industry, the short season, lack of destination centres which could hold tourists longer, and insufficient promotion of our cultural events and attractions. Delegates stressed the need for government to take a more active role.

Delegates believed that the industry could succeed if both government and business were to increase their commitment to the sector. Although it was felt that the

industry should take the lead and regulate itself, government does have a legitimate role to play, especially in setting standards.

Standards were recommended for accommodations, eating places and attractions to give tourists an indication of price, quality and service to expect. In addition, government was urged to proclaim the legislation establishing a Hospitality Institute to provide management and staff training for the industry. With these measures in place, complaints that tourists in Nova Scotia do not get good value for their money would be reduced.

High taxation places an additional burden on the industry, keeping prices high and resulting in complaints from tourists. Delegates recommended that government should refund provincial health services taxes paid by tourists, as is done by the province of Ontario.

Delegates urged government to examine the impact of the tax regime on meals and accommodation. Measures to encourage tourism operators to re-invest their profits in their businesses were also recommended.

Liquor regulations must be updated. The province should also look into ways of using the province's emerging wine industry as part of its tourist promotion efforts. Specifically, liquor regulations should allow the wineries to sell their products on their premises. In addition to providing a boost for the tourist industry, this measure

would also provide economic benefits for the communities in which the wineries are based.

The quality of the tourism marketing effort should be improved, perhaps even turned over to the private sector, rather than the government itself. A more aggressive campaign was advocated, with more attention being paid to attracting tourists from Quebec and other points in Canada, as well as encouraging Nova Scotians to travel about their own province.

Although there was consensus that we could market ourselves better, there was disagreement as to how. Some delegates felt that Peggy's Cove was overworked as a visual image of the province; while others felt that if it works, use it.

There was agreement that the industry, industry associations and boards of trade should all be involved in the marketing effort and in compiling tourist information material. The co-ordinated approach taken by the private sector and government in Annapolis Royal was held out as an example of what can be achieved when all parties work together toward the same goal.

Delegates felt that it was time for the industry to concentrate on those things like hospitality and service that it can improve and stop dwelling on those, like high gas prices, over which it has no control.

They also recommended that government do what it can to lengthen the tourist season by promoting the shoulder seasons and developing tourist destination centres to encourage longer stays.

Nova Scotia has many unique cultural events and attractions that delegates felt are not being used in tourism promotion and recommended that their marketing potential be explored. They also recommended that the province adopt a consistent promotion of the province, rather than constantly changing advertising themes and images.

Lastly, delegates felt that by encouraging pride in Nova Scotia among Nova Scotians, the province could expand its tourism development potential. If Nova Scotians could start thinking of themselves as individual goodwill ambassadors for the province, tourist stays would be more pleasant, last longer and lead to return visits. A promotional campaign to help Nova Scotians feel proud of their province and its products was recommended.

Small Business

The small business sector is vital to the prosperity of the province. Considering the number of people employed in the sector, its potential for creating new jobs and investment oportunities, as well as the entrepreneurial drive demonstrated by small business owners, delegates felt the sector deserves more attention and nurturing.

Government assistance programs should be better targeted to assist small business, especially first-time entrepreneurs, who face great difficulty in gaining access to capital, research and market information, and management education. Many small businesses that could benefit from existing programs don't take advantage of them because of the frustration and the amount of time involved. The "one-stop" approach to government services and programs would be of real benefit to small business.

Also of benefit would be the appointment of a person at the senior level of the Department of Development whose responsibility would be to bring the concerns of small business to the attention of the provincial government.

Delegates expressed disappointment that the federal government has not moved on its promised assistance programs for small business.

Delegates suggested that the educational system could better reflect the needs of small business by working closely with the sector in providing training and retraining, especially through co-operative education programs. More emphasis should be placed on entrepreneurial skills training if the province is to build on the success of its small business sector.

Private investment in small business in Nova Scotia should be encouraged through tax incentives and/or a stock savings program, delegates said, and suggested that

the province look at the programs in Quebec and elsewhere to determine their applicability in Nova Scotia.

In other areas of government assistance, delegates recommended continued government support for incubator malls, the Mainstreet Program and transportation subsidies. They recommended that the province institute a "Buy Nova Scotia" policy to encourage consumption of provincially produced products.

Delegates also felt that by combining their efforts, small businesses would be able to bid on large supply contracts more competitively than would be the case if they were bidding singly.

Health

Discussion on health care focussed on the issue of costs, with delegates concerned that rising costs must be controlled if they are not to affect the quality of health care delivery. There was support for a system of user-pay or co-pay, but delegates were equally concerned about ensuring access to health care for all Nova Scotians.

Rising costs place added pressure on the province's ability to provide the latest in medical techniques and technology and at the same time maintain other equipment and facilities.

Medical doctors and hospital administrators are directly involved in the health care delivery system with the government being held accountable for the level of health costs and funding. Delegates felt that this is a joint responsibility that can be better shared if the three partners would acknowledge the need to work together more closely in the overall interest of the people of Nova Scotia.

Delegates believed that the province can get better value for its health dollars by looking into how these funds are spent. A wide-ranging review of government spending and programs in the health field was advocated to find ways to operate more efficiently, including the possibility of privatizing hospitals and an enlarged role for those without medical doctor status.

Better use can be made of Nova Scotia para-medical and allied health care professionals, such as nurses, dieticians, and physiotherapists. Proclaiming those sections of the Canada Health Act that permit these professionals to expand their services would not only result in cost savings, it would also allow medical doctors to concentrate on services better suited to their training.

Hospital costs can be kept down, delegates said, by reorganizing the provincial grant system to hospitals which is based on primary care beds that are often tied up for convalescent or tertiary care, and making better use of other facilities, including a home care program.

In discussing how to achieve better efficiency in hospital operations, delegates agreed with a proposal for a reward system for hospitals that demonstrate a high level of effectiveness in program delivery. An independent review of current hospital operations was also advocated.

There was general agreement that some patients abuse the privilege provided in the health care system, thus adding to the overall cost. While this might be avoided with a minimum direct billing charge, there was no consensus on the concept of user-pay, although many options were discussed. The main concern was the need to provide equal access to health care for those in lower income brackets.

Noting that the Canada Health Act penalizes provinces that allow doctors to extra bill and hospitals to charge user-pay fees, delegates said that the Act itself, although well intentioned, mitigates against the need to keep health costs down. They advocated changes to the law to make it more flexible.

A shift in focus from providing medical care to stressing preventive measures was seen as an avenue to be explored by the Department of Health. Nova Scotians must learn that health care is not free and that individuals must take on greater responsibility for themselves and their lifestyles.

Finally, delegates discussed the responsibility of doctors in keeping health care costs in line. In the course

of these discussions, concern was raised about doctors who are educated in the province at the expense of Nova Scotia taxpayers and then leave the area after graduation. It was suggested that those doctors who do leave within a certain period of graduation repay at least part of their education costs.

Social Services

Delegates recognized the economic benefits of the provincial social services system for individuals and the province as a whole, but pointed out the costs to society in human terms. Government and industry must find ways to make better use of the resources represented by our youth, the handicapped and those on Unemployment Insurance and Social Assistance benefits, if the province is to grow.

The Unemployment Insurance program must be made more responsive, delegates felt, especially in the area of retraining. Currently, unemployment insurance recipients can continue to receive benefits only if they are enrolled in approved Canada Manpower retraining programs. Delegates felt that the system should be made more flexible and more courses made available on a year-round schedule to help those on unemployment benefits to make the transition to fulltime employment more quickly.

In terms of Social Assistance programs, delegates noted that costs are growing in this area, adding to the financial burden of many municipalities which are already

under pressure. More provision should be made for training and skills development programs for Social Assistance recipients to better prepare them for the workforce.

Delegates also felt that there was a need to develop a greater appreciation for the role of the voluntary sector in providing a base of support for the Social Assistance structure.

Non-Consensus Issues

On a number of issues that came up for discussion during the conference, delegates were unable to find common ground for agreement.

Sometimes, an issue did not raise enough interest in the time available in a workshop to warrant further time for discussion. At other times, an issue was discussed thoroughly, but opinion was divided as to what course of action to recommend to government.

The issues that were named non-consensus items by the conference fell in the latter category. Without exception, they were considered important enough for discussion by all workshops, as well as to be brought to the attention of government. All the non-consensus issues reported out of the workshops and recommended to the conference as a whole, have a bearing on the provincial

economy and all are important policy issues for the government.

One of the non-consensus items, the deficit, became so after a recommendation was presented to the delegates-only plenary session. It became a non-consensus issue not because delegates were divided over its importance, but because they could not agree as to how and when the deficit should be eliminated.

The deficit raised strong expressions of opinion throughout the workshop discussions and the plenary session which followed. In their deliberations, delegates again and again came back to the subject, identifying the deficit as a major constraint on the government's ability to stimulate the economy. While the government has indicated its receptivity to committing new money for new programs, delegates recognized that it has very limited ability to manoeuvre without offsetting savings in existing expenses due to the increasing cost of servicing the growing provincial debt. Delegates felt that government could make a positive start in cutting the deficit by managing its current programs better and its own operations more effectively.

Delegates agreed that the deficit must be addressed and measures put in place to reduce it as quickly as possible. They could not agree, however, as to how this could be accomplished, nor in what time frame. As a result, the plenary session voted to move the deficit from the recommendation slate to the non-consensus.

Sysco and the future of steel in Cape Breton were identified as non-consensus issues by the workshops.

Delegates could not agree on the viability of the industry. However, they did agree that Cape Breton could not afford to lose any more jobs.

Delegates felt that if Sysco is to become a viable operation, it will require not only new technology, but also better marketing and better management of its financial and human resources. Delegates recognized that a massive infusion of government funding is needed for modernization, but could see no other alternative if the industry is to survive.

The issue of privatization was brought up in a number of workshops, largely in discussions on the deficit. The most likely targets identified were the Nova Scotia Power Corporation, provincial hospitals and liquor stores.

Related to privatization was the issue of government competing against the private sector in certain areas of the economy. Examples of this came up in discussions on several issues including, tree nurseries, government-run resort hotels, and in-house provision of professional services. Sooner or later, delegates felt, government will have to divest itself of various non-governmental activities to ensure sufficient financial resources for the province's health, education, and social needs. Providing for these was seen as the government's rightful role.

The **minimum wage** was the subject of much lively discussion with opinion divided as to its impact on the economy and the province's ability to compete.

No consensus was reached on the subject of **affirmative action programs**.

The issue of **women in the workforce** was also the focus of discussion, concentrating mainly on two aspects. Women were identified as an underutilized resource. How-ever, to ensure better utilization of women in the workforce requires the provision of support services, including better access to daycare. These support services were not necessarily seen as coming from the government, but they must be made available if women are to participate fully in the workforce.

The last non-consensus issue, **free trade**, seemed to be too broad in scope to be settled in the workshops. It was discussed in relation to many sectors of the economy, but workshops did not prepare a recommendation for the plenary session.

Opinion on the merits of free trade were divided. Some delegates saw it as a source of great danger to certain sectors of the economy, while others saw it as an advantage to be pursued.

Delegates seemed uncertain as to whether the issue to be discussed should be free trade, freer trade or fairer trade. In most discussions, non-tariff barriers were seen as presenting a more immediate trade problem requiring resolution.

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EVANS, Mr. Lawrence K.	Kelly, Evans, MacIsaac & MacIsaac	Port Hawkesbury
HANSON, Ms. Elizabeth	The House of Bridal Fashions	Dartmouth
HICKEY, Mr. Stuart	Crowell's Limited	Sydney
JABBRA, Dr. Joseph	Saint Mary's University	Halifax
JOSEPH, Mr. Rick	The Black United Front of N.S.	Dartmouth
LECKIE, Mr. David	Canadian Manufacturers Association	Berwick
MACDONALD, Mr. Bruce	Mainland N.S. Building and Construction Trades	Sydney River
MACLENNAN, Mr. William	Farmer's Co-op Dairy Ltd.	Halifax
MACNEIL, Mr. Edward	Cape Breton Building & Construction Trades	Sydney River
MCCULLOCH, Mr. Rod A.	Atlantic Provinces Economic Council	Halifax

O'BRIEN, Mr. Peter	Canadian Federation of Independent Business	Halifax
ROWE, Mr. Ken	Halifax Board of Trade	Halifax
SHAW, Mr. Allan C.	Voluntary Planning	Halifax
STEWART. Mr. Gordon	Tourism Industry Association of N.S.	Halifax
WEARY, Mr. R.W.	Bowater Mersey Paper Ltd.	Liverpool
YETMAN, Mr. Gerald	Nova Scotia Federation of Labour	Halifax
ZWICKER, Mr. Sherman	Union of Nova Scotia Municipalities	Halifax

LIST OF DELEGATES
PROVINCIAL CONFERENCE ON THE ECONOMY

ALBERANI, Miss Alex	Barbara Ann Ltd. Ladies Wear	Halifax
ARCHIBALD, Mr. Sandy	Canadian Manufacturers Association	Halifax
ARSENAULT, Mr. Don	University College of Cape Breton	Sydney
BAIN, Ms. Sue	The Royal Bank of Canada	Halifax
BELL, Mr. James K.	Nova Scotia Federation of Labour	Halifax
BELLIVEAU, Mr. Michael	Maritime Fishermen's Union	Halifax
BLANCHARD, Mr. Greg	N.S. Government Employees Union	Halifax
BRAGG, Mr. John *	Oxford Frozen Foods Ltd.	Oxford
BROWN, Mr. Michael	Forestry & Agriculture for Nova Scotians	Antigonish
BROWNLOW, Mayor Daniel	City of Dartmouth	Dartmouth
BRUCE, Mr. Allan	Tideview Enterprises	Truro
BRUCE, Mr. Robert	Coopers and Lybrand	Halifax
CALLAGHAN, Mr. John	United Steelworkers of America	Sydney
CLARKE, Mr. Peter	Winter Grain Marketing Board	Canning
CLARKE, Mr. Rick	Marine Workers Federation	Halifax
COCKS, Mr. Robert	Tourism Industry Association of N.S.	Mahone Bay
COLDWELL, Mr. Lawrence	Farmer	Port Williams
COMEAU, Mr. Ben	Comeau's Sea Foods Ltd.	Saulnierville
CONNELLY, Miss Colleen	Youth Delegate	Curry's Corner

COOPER, Mr. George T.H.	Nova Scotia Forest Industries	Halifax
CORKUM, Mrs. Suzanne	N.S. Fruit Growers Association	Kentville
CORKUM, Mr. Robert	Student	Halifax
CURRIE, Mr. John	Internav Limited	Sydney
CURTIS, Mr. Edward	Cape Breton Offshore Trade Association	Sydney
DECHMAN, Mr. Arthur	Acadia Construction Ltd.	Bridgewater
DECHMAN, Mrs. Marie	Bridgewater Chamber of Commerce	Bridgewater
D'ENTREMONT, Ms. Irene	Yarmouth Chamber of Commerce	Yarmouth
DICK, Mr. John *	Roynat Incorporated	Halifax
DIXON, Mr. Bernard	Public Service Alliance of Canada	Halifax
DORE-BROWN, Ms. Christine	Halifax Women's Network	Halifax
DORRINGTON, Mr. Peter	Dartmouth Chamber of Commerce	Dartmouth
DORRINGTON-PRICE, Ms. Helen	Black United Front	Dartmouth
DOUGLAS, Mr. John T.	R.A. Douglas Ltd.	New Glasgow
DOWNE, Mr. Don *	Farmer	Bridgewater
DUFFY, Mr. Bryan	Industrial Cape Breton Board of Trade	Sydney
DURNO, Mr. Bruce	United Food & Commercial Workers Union	Halifax
ERNST, Mr. Tom	Christmas Tree Council of Nova Scotia	Bridgewater

EVANS, Mr. Lawrence K.*	Kelly, Evans, MacIsaac & MacIsaac	Port Hawkesbury
FARNELL, Mr. Don	Canadian Federation of Independent Business	Dartmouth
FILLIER, Ms. Ginger	Student	Little Pond
FORAN, Mr. Gary	Brewery & Soft Drink Workers' Union	Halifax
GILBERT, Mr. Robin B.	Investment Dealers Assoc. of N.S.	Halifax
GLEN, Mr. Alex	Scott Maritimes Ltd.	New Glasgow
GOLDBLOOM, Mrs. Ruth	Delegate-at-Large	Halifax
GRANT, Mr. Dennis	Canadian Paperworkers Union	Brookfield
HAMILTON, Ms. Jill M.	Daley, Black and Moreira	Halifax
HANSON, Ms. Elizabeth	The House of Bridal Fashion	Dartmouth
HATTON, Dr. Russell	Atlantic School of Theology	Halifax
HAYES, The Most Rev. James	Archbishop of Halifax	Halifax
HICKEY, Mr. Stuart	Crowell's Limited	Sydney
HILTZ, Miss Lisa	Student Delegate	Halifax
HOMBURG, Mr. Richard	Investment Property Owners of N.S. Ltd.	Dartmouth
HOOD, Mayor Earl	Town of Windsor	Windsor
HUGHES, Mrs. Jean	Registered Nurses Assoc. of Nova Scotia	Halifax
JABBRA, Dr. Joseph *	St. Mary's University	Halifax
JACQUES, Mr. Hector	Jacques Whitford & Associates	Halifax
JENNEGREN, Mr. Gunnar K.	Volvo Canada Limited	Halifax

JOHNSON, Mr. Michael G.	Institute of Chartered Accountants	Halifax
JONES, Mr. David S.	N.S. Automobile Dealers Association	Liverpool
JOSEPH, Mr. Rick	The Black United Front of Nova Scotia	Dartmouth
KANE, Mr. John	Energy and Chemical Workers Union	Truro
KEIZER, Mr. James	Dewdrop Garden	Sheet Harbour
KELLIGREW Mr. Rhodes	Canadian Union of Public Employees	Amherst
KELLY, Mr. Windsor	N.S. Forest Products Association	Baddeck
KERR, Ms. Janice	Canadian Foundation for Economic Education	Truro
KIDSTON, Mr. Earl	N.S. Federation of Agriculture	Port Williams
KITZ, Mr. Leonard	Nova Scotia Barristers Society	Halifax
LARDER, Dr. Thomas	Nova Scotia Dental Association	Halifax
LATHAM, Mr. Colin	Maritime Tel & Tel	Halifax
LEBLANC, Mr. James	Student Unions of Nova Scotia	Halifax
LECKIE, Mr. David	Cobi Foods Incorporated	Berwick
LEVY, Mr. Laurie	N.S. Woodlot Owners & Operators Assoc.	Truro
LLOY, Miss Sharon	Holy Angels Convent	Sydney
LUND, Mr. H. Ernie	Truro & District Chamber of Commerce	Truro
LYNCH, Mr. Andrew	Design Construction Institute	Halifax

MADER, Mr. Ken	Maritime Life Assurance Company	Halifax
MANUEL, Mr. Lou	United Business of Nova Scotia	Dartmouth
MARTIN, Mr. Roland	Halifax Board of Trade	Halifax
MEACHER, Mr. Michael	ICG Scotia Gas Limited	Halifax
MEEK, Mr. Eric	Nova Scotia Cooperative Council	Kentville
MEEK, Mrs. Pauline	Consumers Association of Canada	Canning
MILES, Mr. Fred	Downtown Community Development Association of Nova Scotia	Sydney
MILLIGAN, Ms. Diane	Cultural Federation of Nova Scotia	Halifax
MOSHER, Mrs. Norma	Women's Institute of Nova Scotia	Truro
MOULTON, Mr. Charles	Canadian Brotherhood of Railway, Transport and General Workers Union	Halifax
MURPHY, Warden Pat	Municipality of County of Argyle	Wedgeport
MACASKILL, Mr. Gordon	Canadian Banker's Association	Halifax
MACCULLOCH, Mr. Wm. A.	Economic Development Association of N.S.	New Glasgow
MACDONALD, Mr. Bruce	Mailand Nova Scotia Building and Construction Trades Council	Halifax
MACDONALD, Mr. Charles	United Steelworkers of America	Sydney
MACDONALD, Mr. George W.*	McInnes, Cooper and Robertson	Halifax

MACDONNELL, Mr. John	Student Delegate	Antigonish
MACINTYRE, Mr. Jim	Antigonish Chamber of Commerce	Antigonish
MACKENZIE, Mr. Charles	Annapolis Valley Affiliated Board of Trade	Berwick
MACKINNON, Dr. Fred	Senior Citizens Secretariat	Halifax
MACKINNON, Reverend Gregory	Council of N.S. University Presidents	Antigonish
MACLEOD, Reverend Greg	University College of Cape Breton	Sydney
MACLENNAN, Mr. W. *	Farmer's Co-op Dairy Ltd.	Halifax
MACNABB, Mr. Bert	Chamber of Mineral Resources	Halifax
MACNEIL, Mr. Edward	Cape Breton Building & Construction Trades	Sydney River
MACNEIL, Mr. Walter	New Dawn Enterprises Ltd.	Sydney
MACPHERSON, Mr. Ron	Nova Scotia Teachers Union	Armdale
MACRAE, Mr. Donald	United Mineworkers of America	Marion Bridge
MCCLELLAND, Ms. Patricia	Canadian Crafts Council	Dartmouth
MCCORMICK, Mr. Shaun	N.S. League for Equal Opportunity	Halifax
MCCULLOCH, Mr. R.A. *	Clarkson Gordon	Halifax
MCVEIGH, Mr. Robert	Credit Union Central of Nova Scotia	Halifax
NASON, Warden Laurence	Municipality of the County of Colchester	Upper Stewiacke
NICHOLS, Mr. Neil	Sable Gas Systems	Halifax
O'BRIEN, Mr. Peter	Canadian Federation of Independent Business	Halifax

PALMER, Ms. Marie	N.S. Designer Crafts Council	Halifax
PATTERSON, Mr. Ron	Rotary Club of Amherst	Amherst
PATTERSON, Mr. Tom	Nova Scotia Nurses Union	Dartmouth
PETERS, The Rt. Rev. Arthur G.	Bishop of Nova Scotia	Halifax
PICKFORD, Mr. Tom	Retail, Wholesale Dept. Store Union	Sydney
PORTER, Miss Irene	Big Brothers, Big Sisters	Antigonish
POWELL, Mr. Gordon	Tourism Industry Assoc. of Nova Scotia	Halifax
PUBLICOVER, Mr. Keith	Student Delegate	Wolfville
PURDY, Mr. Stan	Eastern Fishermen's Federation	Halifax
QUIGLEY, Mr. Rene	Bakery & Confectionery Workers Union	Halifax
RADFORD, Mr. James	Halifax Board of Trade	Halifax
RAMSAY, Mr. Rick	Association of Municipal Administrators	Kentville
REDDICK, Mr. Alonzo	M.G.C. Development Incentives Ltd.	Guysborough
ROBERTSON, Mr. Struan	Central Trust Company	Halifax
ROBINSON, Ms. Viola	Native Council of N.S.	Truro
ROE, Mr. Eric	Seafood Producers Assoc. of Nova Scotia	Dartmouth
ROWE, Mr. Ken	Halifax Board of Trade	Halifax
SETTLE, Mr. Lester	Nova Scotia Federation of Agriculture	Truro
SHAW, Mr. Allan C.	Voluntary Planning	Halifax

SHAW, Dr. Mervin G.	Medical Society of N.S.	Halifax
SHAW, Mr. Robert	Canadian Homebuilders Association	Dartmouth
SIMPSON, Mr. Hugh	Construction Association Management Labour Bureau Ltd.	Halifax
SMITH, Mr. John	Offshore Trade Association of Nova Scotia	Dartmouth
SOBODA, Ms. Frances	United Steelworkers of of America	New Glasgow
STEVENSON, Prof. Lois A.	Acadian University School of Business Administration	Wolfville
STEWART, Mr. Gordon *	Tourism Industry Assoc. of Nova Scotia	Halifax
TEUWEN, Mr. Tom	Vision Community Initiatives for Regional Development	Sydney
THIBEAULT, Mr. Robert	Federation Acadienne de la Nouvelle Ecosse	Halifax
TOWLER, Ms. Patti	Student Delegate	Halifax
VIENOT, Mr. John	Nova Scotia/Newfoundland Division, Canadian Manufacturers Association	Halifax
WALKER, Miss Barbara	Delegate-at-Large	Halifax
WALLACE, Mayor Ron	City of Halifax	Halifax
WEBBER, Mr. Harvey	The Smart Shop	Sydney
WEBSTER, Mr. Lloyd	Truckers' Association of Nova Scotia	Truro
WELLS, Mrs. Kathy	N.S. School Boards Assoc.	Halifax
WILLIAMS, Mr. Charles R.	N.S. Forest & Fibre Producers Association	Port Hawkesbury
WILLIAMS, Mr. Douglas	Bedford Board of Trade	Bedford

WILNEFF, Mr. Lawrence	Canadian Seafood & Allied Workers Union	Halifax
WILSON, Mr. Larry	Design Construction Institute	Halifax
YETMAN, Mr. Gerald	Nova Scotia Federation of Labour	Halifax
ZWICKER, Mr. Sherman *	Union of Nova Scotia Municipalities	Halifax

* Workshop Chairman

Panel Speakers and Topics

First Session, October 14, 1985

1.	Allan C. Shaw L.E. Shaw	Manufacturing, including steel
2.	Earl Kidston N.S. Federation of Agriculture	Agriculture
3.	R.W. Weary Bowater Mersey Paper Ltd.	Forestry
4.	Dr. W. Shaw St. Francis Xavier University	Mining, including coal
5.	Stephen Greene Canada Fisheries and Oceans	Fisheries
6.	Robert Shaw Canadian Homebuilders Assoc.	Construction
7.	Gordon Stewart Tourist Industry Association of Nova Scotia	Tourism
8.	Peter O'Brien Canadian Federation of Independent Business	Small Business
9.	Craig Dickson Atlantic Provinces Transportation Commission	Transportation
10.	Don Farmer Maritime Tel & Tel	Communication
11.	Louis Comeau N.S. Power Corporation	Energy
12.	Neil Roberts Halifax Infirmary	Health
13.	Dr. F.R. MacKinnon Senior Citizens Secretariat	Social Services
14.	Dr. John Terry University College of Cape Breton	Education

Second Session, October 16, 1985

1.	T. Nickerson N.S. Research Foundation	Research & Development Technology
2.	David Leckie Canadian Manufacturers Assoc.	Export Trade
3.	Dick Fletcher N.S. Department of Development	Government Support Programs
4.	Joe Clarke N.S. Department of Labour & Manpower	Human Resources
5.	Kathie Swenson N.S. Department of Labour & Manpower	Youth Training